



Risk Assessments:

Building Your Risk Program, Developing Partnerships, and Mitigating Risk

Ralph Oyaga, Esq., MBA
Corporate Compliance Officer
Heritage Provider Network

1



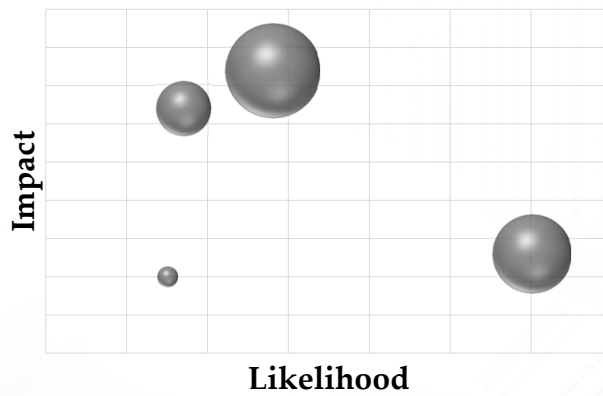
Agenda

- Fundamentals
- Creating Buy-In
- Mitigating Risk

2

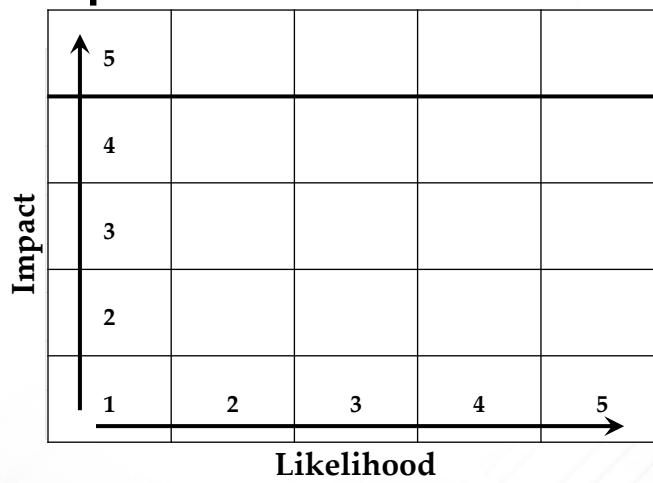
Risk Assessment Fundamentals

- Risk = Likelihood X Impact



3

Risk Map



4

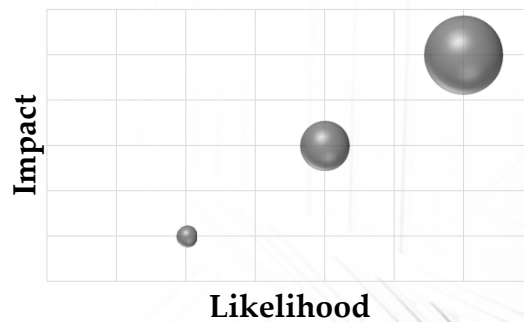
Risk Scoring

- Organization's Risk Tolerance / Appetite
- L, M, H
- 1 – 5
- Adding third dimension (e.g. velocity)

5

Impact – Concepts to Keep in Mind

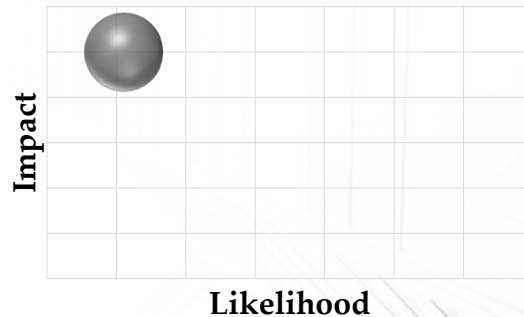
- Emerging risks – Impact not fully understood (learning curve)



6

Impact – Concepts to Keep in Mind

- “Black Swans”
 - Low likelihood, but
 - catastrophic impact



7

Reducing Impact of Black Swan Events

- Don't try to predict, focus on mitigating vulnerabilities and reducing the possible consequences
- Example: Hackers “kidnap” your network
 - Build Redundancies
 - Disaster Recovery Mode
 - Cyber Insurance

8

Document Process (CPE)

- Who participates?
- How are topics prioritized?
- What is the process?
- How are mitigation steps determined?
- Is education provided?
- How are the results determined?

9

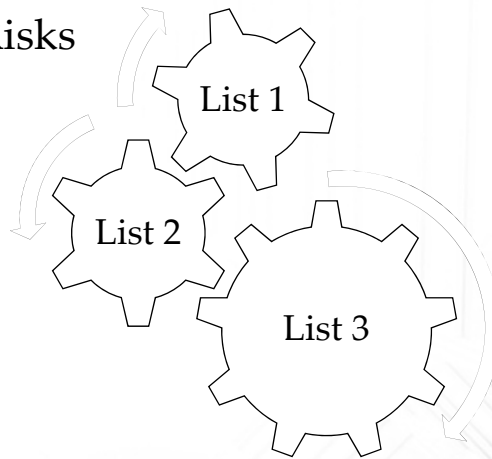
Risk Assessment Process

- Compile List of Risks (Risk Inventory)
- Group / Categorize (Risk Domains)
- Prioritize

10

Risk Inventory

- Compile List of Risks
 - Iterative process
 - Negotiate
 - Refine
 - Consensus



11

Risk Domains - Examples

- Financial – malpractice, insurance, credit score, penalties/CIA
- Human Capital – selection, retention, turnover, work comp
- Technology – EHR, Cyber Security, Social Media
- Regulatory/Legal – FWA, Audit CAPs

12

Prioritize List

- Within each risk domain
- Identify correlations, synergy, effective resource allocation
- Early wins (employee engagement – momentum –ROI)

13

Buy-In

- buy in
 - Agreement to support a decision

14

Strategies for Creating Buy-In

- Adapt to others' communication style.
- Avoid extremes
 - “Withhold & Uphold” ← → “Spray & Pray”

15

Strategies for Creating Buy-In

- The way a risk is framed influences people's understanding of it.
- Example: Airline Safety Statistics

16

Strategies for Creating Buy-In

- Link to organization's mission/vision and strategic objectives
 - Why is it imperative to mitigate this risk?
 - We are all in this together !

17

Strategies for Creating Buy-In

- Leverage role of "Trusted Advisor"
 - Timely
 - Accurate
 - Reliable

18

Strategies for Creating Buy-In

- Prepare for feedback.
- Prepare to act.
 - What is negotiable.
 - Can collaboration save the day.

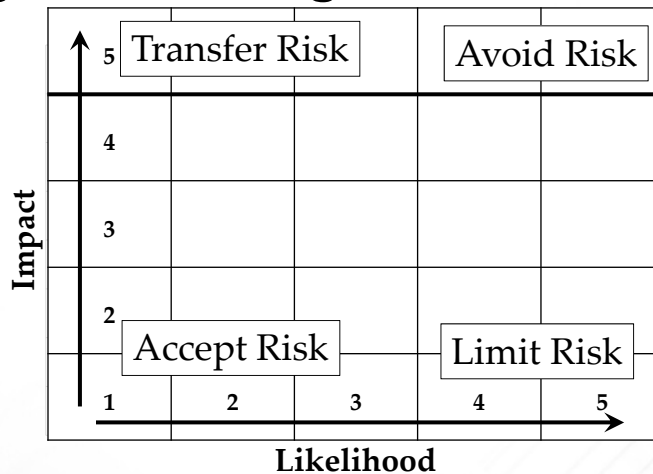
19

Risk vs. Reward

- Risk assessment → Risk mitigation
- Mitigation strategies
 - Risk Avoidance
 - Risk Limitation / Mitigation
 - Risk Transference
 - Risk Acceptance / Assumption

20

Mitigation Strategies



21

Executing Risk Mitigation Plan

- Risk-based control system
- Control Levers (Robert Simons)
 - Belief controls:
 - Communicate the vision, mission and values of the organization
 - Inspire and motivate employees
 - Engage in risk mitigation efforts

22

Q & A

?

Ralph Oyaga
Royaga@HeritageMed.com

23